

**REMARKS**

Applicants respectfully request favorable reconsideration of this application, as amended.

Claims 1, 3, 5 and 7–9 were rejected under 35 U.S.C. § 103(a) as being anticipated by Wolfberg in view of Cornelius (US 6,629,081; newly-cited) and in further view of Vanac ("Alternative Financing Boosts Choices Small Office/Home Office," Toronto Star article; newly-cited), while Claims 2, 4 and 6 were rejected as being unpatentable over Wolfberg (presumably in view of Cornelius and in further view of Vanac).

Without acceding to the rejections under § 103, Claims 1, 5 and 8 have been amended to recite certain features of the present invention more clearly. Support for these amendments may be found, for example, in the Specification at Pages 3–7. No new matter has been added, and Applicants submit that none of the cited references, taken either singly or in combination, teaches or suggests all of the features recited by the claims.

Applicants note that according to aspects of the present invention, an agent purchases products from a supplier using credit that is based on the value of collateral offered by the agent to the supplier, and, when the credit account comes due, the agent does not need to offer additional collateral to a bank in order to secure a separate loan to repay the credit account. That is, the agent can purchase products on credit from the supplier, and receive an additional loan from the bank, using only the original collateral offered to the supplier. By contrast, if the agent does not have enough money to settle his credit account when due, known methods of financing require the agent to offer additional collateral to the bank in order to secure a bank loan. In other words, the agent offers collateral to the supplier in order to buy the supplier's products on credit, and then must offer additional collateral to the bank in order to secure a loan to pay off the balance of his credit account. The claimed invention advantageously avoids this problem by leveraging the value of the collateral offered to the supplier.

As discussed in detail in the Response filed on March 27, 2007, Wolfberg fails to disclose many features recited by Claims 1, 5 and 8, including offering collateral to a supplier by an agent, receiving information on the appraised value for each agent's collateral offered to the supplier and processing each agent's loan within the limit of the agent's collateral offered to the supplier, where each loan that is generated corresponds to an agent's credit account that has

not been repaid. The Office Action admits these shortcomings, and cites Cornelius and Vanac in support of its obviousness rejections.<sup>1</sup> Applicants disagree, and submit that these references fail to cure all of Wolfberg's deficiencies.

Cornelius discloses an internet-based account settlement system, described as a "Virtual Trading" (VTrade) system, in which a "Bank extends trade credit to the buyers and provides funding for the trade transaction" (Col. 8:3–19). A buyer first registers/subscribes to Cornelius' system, the "credit provider" (i.e., the bank) then assesses the credit worthiness of the buyer and grants the appropriate trade finance credit line. *See*, Col. 10:41–46. Cornelius simply fails to teach or suggest that the agent offers collateral to the supplier, as recited by Claims 1, 5 and 8. To the contrary, Cornelius's bank merely checks the buyer's credit (i.e., operation 1604), and then establishes a credit line for the buyer based on that credit check. *See*, e.g., Col. 19:52–54. In other words, Cornelius' buyer offers no collateral to the bank, which merely checks his publicly-available credit history. Moreover, Cornelius also fails to teach or suggest that information on the appraised value for each agent's collateral is received, or that each agent's loan is processed with the limit of the collateral offered by the agent in a credit account that has not been repaid, as recited by Claims 1, 5 and 8.

Vanac discloses a source of alternative financing known as "trade credit," in which a manufacturer, supplier or distributor finances at least part of a retailer's purchase. Vanac cites the well-known example of auto makers, many of whom finance the cars on dealer's lots. Vanac similarly fails to teach or suggest that the agent offers collateral to the supplier, as recited by Claims 1, 5 and 8. To the contrary, Vanac's discussion of trade credit, at most, suggests that the manufacturer merely retains a security interest in the financed goods.<sup>2</sup> While, the Office Action opines, on Page 6, that Vanac's supplier offers "trade credit secured by collateral to a customer in order to offer the customer an alternative financing option," Applicants submit that Vanac nowhere suggests that the customer offers collateral to the supplier in order to secure that trade credit. Moreover, Vanac also fails to teach or suggest that information on the appraised value for each agent's collateral is received, or that each agent's loan is processed with the limit of the collateral offered by the agent in a credit account that has not been repaid, as recited by Claims 1, 5 and 8.

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<sup>1</sup> *See*, Office Action at Pages 4–6, 7 and 8.

<sup>2</sup> *See*, e.g., Uniform Commercial Code - Article 9, Secured Transactions' Sales of Accounts and Chattel Paper.

Consequently, none of the cited references, taken either singly or in combination, teaches or suggests all of the features recited by Claims 1, 5 and 8. Accordingly, these claims are allowable. Claims 2-4, depending from Claim 1, Claims 6 and 7, depending from Claim 5, and Claim 9, depending from Claim 8, are also allowable, at least for the reasons discussed above.

In view of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for allowance and should now be passed to issue.

A Notice of Allowance is respectfully solicited.

If any extension of time is required in connection with the filing of this paper and has not been requested separately, such extension is hereby requested.

The Commissioner is hereby authorized to charge any fees and to credit any overpayments that may be required by this paper under 37 C.F.R. §§ 1.16 and 1.17 to Deposit Account No. 02-2135.

Respectfully submitted,

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By: \_\_\_\_\_

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